

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EB-08 AGRE-00 AID-05 CEA-01
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02
STR-04 TRSE-00 LAB-04 SIL-01 OMB-01 SS-15 NSC-05 L-03
PA-01 PRS-01 /088 W
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FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 2954
INFO ALL EC CAPITALS 3083
USDEL MTN GENEVA
USMISSION GENEVA
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PASS AGRICULTURE ELECTRONICALLY

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJECT: COPA RECOMMENDS 7.4 PERCENT INCREASE IN EC PRICES

REF: PARIS 3731

1. COPA (THE EC-WIDE COMMITTEE OF PROFESSIONAL FARMER ORGANIZATIONS) HAS RECOMMENDED TO THE COMMISSION AND COUNCIL OF MINISTERS THAT 1977/78 EC FARM PRICES BE INCREASED BY AN AVERAGE OF 7.4 PERCENT. ACCORDING TO COPA, THIS INCREASE, WHICH IS SAID TO BE BASED ON THE "OBJECTIVE CRITERIA" LAID DOWN BY THE COMMISSION, WOULD ENABLE LABOR INCOME OF FARMERS TO DEVELOP IN A COMPARABLE WAY WITH AVERAGE EARNINGS OF THOSE IN OTHER SECTORS. THE 7.4 PERCENT FIGURE RESULTS FROM DEDUCTING 1.5 PERCENT FROM THE INCREASE IN FARMERS' COSTS IN ORDER TO ALLOW FOR THE ANNUAL INCREASE IN PRODUCTIVITY. COPA NOTES THAT THE 7.4 PERCENT INCREASE IS AN AVERAGE FIGURE FOR

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THE COMMUNITY AS A WHOLE; HOWEVER, GREEN RATE ADJUSTMENTS AND/OR "OTHER SPECIFIC MEASURES COMPARABLE WITH COMMUNITY RULES" MAY HAVE TO BE TAKEN IN CERTAIN COUNTRIES WHERE HIGHER THAN AVERAGE RATES OF INFLATION HAVE OCCURRED. COPA ESTIMATES THAT THE EFFECT OF THIS INCREASE ON FOOD PRICES WILL BE LESS THAN 1 PERCENT -- "AN INSURANCE PREMIUM THAT CONSUMERS SHOULD BE PREPARED TO PAY TO ENSURE CONTINUITY OF SUPPLY AND PROTECTION

AGAINST THE VICISSITUDES OF THE WORLD MARKET."

2. COPA INDICATES ITS ACCEPTANCE OF THE NEED FOR MEASURES TO ACHIEVE BETTER EQUILIBRIUM ON THE MILK MARKET, IN PARTICULAR THE CORESPONSIBILITY TAX, BUT EMPHASIZES THAT ACCEPTANCE OF THIS TAX IS DEPENDENT UPON:

- A. ESTABLISHMENT OF A GLOBAL POLICY FOR OILS AND FATS.
- B. PARTICIPATION OF PRODUCERS IN THE MANAGEMENT OF FUNDS COLLECTED.
- C. MAINTENANCE OF THE GUARANTEE PRICE GIVEN TO PRODUCERS.

3. WE ASKED A COPA OFFICIAL WHY THEIR PRICE REQUESTS HAD NOT BEEN BROKEN DOWN BY COMMODITY AS IN PREVIOUS YEARS. HE SAID THAT COPA PLANNED TO DO THIS AT A LATER DATE AFTER THE COMMISSION HAD ANNOUNCED ITS PRICE PROPOSALS. HE FELT THAT COPA WOULD RECOMMEND PRICE INCREASES IN THE DAIRY SECTOR CLOSE TO, BUT PERHAPS SLIGHTLY BELOW, THE AVERAGE.

4. LOCAL PRESS REPORTS SUGGEST THAT GUNDELACH TOLD COPA LEADERS THAT THE COMMISSION WOULD PROPOSE AN AVERAGE INCREASE FO 3-4 PERCENT. HE IS ALSO REPORTED TO HAVE MENTIONED THAT THE PRICE PACKAGE IS NOW READY FOR CONSIDERATION THIS WEEK BY THE COMMISSIONERS. OUR DISCUSSIONS WITH AN AIDE TO GUNDELACH LEAD US TO BELIEVE THAT IT INCLUDES AN AVERAGE INCREASE OF ABOUT 3 PERCENT. HINTON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 07-Feb-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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